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No. 04-607

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

LABORATORY CORPORATION OF AMERICA HOLDINGS (doing business as LabCorp),

Petitioner,

v.

METABOLITE LABORATORIES, INC. and COMPETITIVE TECHNOLOGIES, INC.,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

SUPPLEMENTAL BRIEF FOR PETITIONER

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TABLE OF AUTHORITIES

Page

CASES:

Hewlett-Packard Co. v. *Bausch & Lomb Inc.*, 909 F.2d 1464 (Fed. Cir. 1990) 2

Lawrence v. *Chater*, 516 U.S. 163 (1996) 3

Metro-Goldwyn-Meyer Studios Inc. v. *Grokster, Ltd.*, No. 04-480 ..... *passim*

Sony Corp. of Am. v. *Universal City Studios, Inc.*, 464 U.S. 417 (1984) 2

STATUTE:

35 U.S.C. § 271(b) 2

RULE:

S. Ct. R. 15.8 1

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Pursuant to S. Ct. R. 15.8, petitioner LabCorp respectfully submits this supplemental brief to inform the Court of a new development that may bear upon this case. After the petition was filed in this case, the Court granted certiorari in *Metro-Goldwyn-Meyer Studios Inc.* v. *Grokster, Ltd.*, No. 04-480 ("*MGM*"). And just recently, opening briefs were filed in *MGM* making clear that the interpretation and application of the standard for induced infringement—a central issue in this petition—is also a central issue to be decided in *MGM*. Accordingly, although LabCorp continues to believe that its petition should be granted for all the reasons set forth in the petition and reply, the Court should at the very least hold the

petition pending a decision in *MGM* and then vacate the judgment and remand the case for further consideration in light of that decision.

1. A central question presented in this petition is the proper application of the standard for inducement to patent infringement—a question on which the Federal Circuit has been hopelessly divided for years. Like this case, *MGM* involves a claim of secondary infringement against a party that committed no direct infringement. The opening briefs in *MGM*, filed January 24, 2005, have now confirmed that the application of the standard for inducement to infringement—a standard asserted to be common to both the copyright infringement at issue in *MGM* and the patent infringement at issue in this case—is also a principal issue in *MGM*.

Indeed, the *MGM* petitioners' primary argument is that the Court should measure the conduct of the defendant there under the standards governing induced patent infringement, just as the Court relied on patent law to determine the standards for contributory copyright infringement in *Sony Corp. of Am.* v. *Universal City Studios, Inc.*, 464 U.S. 417 (1984). *See* Brief for Motion Picture Company and Recording Studio Petitioners at 23-29 ("*MGM* Petitioners' Br."). As the *MGM* petitioners argue, and as LabCorp specifically noted in its petition, the inducement standard is not unique to patent law. *See* LabCorp Pet. 14-15 (noting that the conflict "extends beyond patent law" to include general standards for aiding and abetting liability). Thus, the *MGM* petitioners specifically rely on Section 271(b) of the Patent Act—a principal subject of LabCorp's petition—and they cite *Hewlett-Packard Co.* v. *Bausch & Lomb Inc.*, 909 F.2d 1464 (Fed. Cir. 1990)—which was applied by the Federal Circuit in this case and is the fount of the lower court conflict identified in LabCorp's petition. *See MGM* Petitioners' Br. 28-29 & n.18; *compare* LabCorp Pet. 12-19.

Amici supporting the *MGM* petitioners—including the United States—as well as amici supporting neither side,

likewise rely heavily on what they assert to be the standard for inducement to patent infringement under Section 271(b). *See, e.g.*, U.S. Br. 27-30; American Intellectual Property Law Ass'n Br. 5, 13-24 ("AIPLA Br."); Br. for Utah, *et al.* at 17; IEEE-USA Br. 14-28; Prof. Lee A. Hollaar Br. 7-20; Br. for Law Professors, *et al.* at 8; Nat'l Academy of Recording Arts & Sciences Br. 10-11. Some specifically urge the Court to adopt the overly lenient *Hewlett-Packard* standard for induced infringement, which was applied by the Federal Circuit in this case and criticized in LabCorp's petition. *See* AIPLA Br. 5, 6, 7, 15, 16, 20, 21; Law Professors' Br. 8.

2. By citing the positions on induced infringement taken by the *MGM* petitioners (the plaintiffs in that case) and their supporting amici, LabCorp by no means endorses those positions. Indeed, although the *MGM* defendants and their amici have yet to file their briefs, it can reasonably be anticipated that they would have divergent views on the proper standard for induced infringement.

The important point is that the issues presented by the *MGM* petitioners make it likely that the Court's decision in that case will opine on the appropriate standard for induced infringement to be applied under both copyright and patent law. In that event, it would be appropriate for the Court to vacate the Federal Circuit's judgment in this case and remand for further consideration in light of *MGM*. *See, e.g.*, *Lawrence* v. *Chater*, 516 U.S. 163, 167-168 (1996) (GVR appropriate where "an intervening factor has arisen that has a legal bearing upon the decision") (citation omitted). And if *MGM* does not clarify the confusion that presently exists over the proper standard, then certiorari should be granted in this case for all the reasons set forth in the petition.

Indeed, certiorari can and should be granted in this case irrespective of *MGM*, given the intractable conflicts on the various questions presented, the nationwide importance of the case to medical treatment, and the deeply flawed holding below, which upheld a patent claiming a monopoly to

prevent doctors from even *thinking* about a well-known scientific correlation used in medical treatment, imposed multi-million dollar liability on a third party for merely informing the doctors of that basic scientific fact, and enjoined LabCorp from directly performing critical medical tests no matter the method used to perform them. Thus, although *MGM* may well impact this petition, the Federal Circuit's holding in this case should be reversed, or at a minimum vacated, regardless of the outcome of that case.

CONCLUSION

For the foregoing reasons, and those in the petition, the petition for a writ of certiorari should be granted and the judgment below reversed. But at a minimum, the Court should hold the petition pending a decision in *MGM*, and then vacate the judgment below and remand for further consideration in light of that decision.

Respectfully submitted,

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